

The Evolution of Planning in India

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Brief History of Planning

- M. Visvesvaraya, 'Planned Economy for India' published in 1934 proposed a ten-year plan to double the income of the country.
- He proposed capital investment of Rs. 1,000 crore and a six-fold increase in industrial output per annum.
- In 1938, the Indian National Congress headed by Netaji Subhash Chandra Bose appointed the National Planning Committee (NPC) under the chairmanship of Pandit J.L. Nehru to prepare a plan for economic development to solve the problem of poverty and unemployment.
- However, with the declaration of the World War II in September 1939 and putting leaders into prison, the NPC could not march ahead and the report could not be prepared.

Bombay Plan- Gandhian plan and People's plan Sarvodaya Plan

- **The Bombay Plan** was prepared by 8 leading industrialists of Bombay in 1944. It was a plan for economic development under considerable amount of government intervention. It emphasised the industrial sector with an aim of trebling national income and doubling of per capita income within a 15 year period. Under this plan, planning and industrialisation were synonymous.
- **The People's Plan** given by M.N.Roy (1944)- Following Roy's ideas three of his colleagues and followers- G D Parikh, V M Tarkunde and B N Banerjee- prepared a Ten Year Plan for reconstruction of Indian economy with an outlay of about Rs. 15,000 Crores. The basic feature of the People's Plan was emphasis on agriculture and social services; and, its self-financing character.

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Shriman Narayan Aggarwal authored 'The Gandhian Plan' in 1944.

- It is known as Gandhian Plan, as it was based upon Gandhian philosophy in which emphasis was put on the expansion of small unit production and agriculture. Its fundamental feature was decentralisation of economic structure with self-contained villages and cottage industries. The outlay of the plan was estimated to be Rs. 3,500 crores only and it sought to set up a decentralized economy with self-sufficient villages and industrial production.
- **Sarvodaya Plan:**
- In India interim government was formed in 1946. The government to addressed the problem of development in the country.
- In 1950 Jai Prakash Narayan published a plan document called '**Sarvodaya Plan**'. The plan aimed at economic, political, social and overall development of the common masses

Planning Commission:

- After in-dependence, the Planning Commission was set up by the Government of India in March 1950. The Commission was instructed to:
 - (a) To make an assessment of the material capital and human resources of the country, and formulate a plan for the most effective and balanced utilisation of them;
 - (b) To determine priorities, define the stages for carrying the plan and propose the allocation of resources for the due completion of each stage;
 - (c) To act as an advisory body to the Union Government;
 - (d) To determine the conditions which (in view of the then current socio-political conditions) should be established for the execution of the plan.
 - (e) To advise the centre and the state governments.
 - (f) Now after the completion of the Twelfth Five Year plan the planning exercise has been stopped. The planning Commission has been given a new name of NITI Aayog

National Development Council: It was set-up on 6th August 1952

- All the plans made by planning commission have to be first approved by NDC. It was constituted to build cooperation between States and the Centre. Like Planning Commission NDC is also an extra constitutional legal body.

- At the State level **State Planning Boards** is the Apex Planning body.
- Chief minister is the Chairman of State Planning Board.
- Finance and Planning Ministers of the State are ex-officio members
- Technical members are appointed by state governments.
- At the district level there is a **District Planning Committee**
- The District Planning Committee comprises of both official and non-official members

Timings of Five Year Plans

Plan	Period	Plan	Period
• First Plan	1951-56	• Sixth Plan	1980-85
• Second Plan	1956-61	• Seventh Plan	1985-90
• Third Plan	1961-66	• Annual Plan	1990-92
• Three Annual Plans	1966-69	• Eighth Plan	1992-97
• Fourth Plan	1969-74	• Ninth Plan	1997-02
• Fifth Plan	1974-78*	• Tenth Plan	2002-07
• Annual Plan	1979-80	• Eleventh Plan	2007-12
		• Twelfth Plan	2012-17

Types of Planning:

Developmental Planning

Comprehensive Planning

Indicative Planning

Democratic Planning

Decentralised Planning or Planning from Below

Perspective Plan

Rolling Plan

Objectives of Indian Plans:

A higher rate of growth than was being realised in the absence of the plan;

2. A greater degree of economic equality than was possible under free enterprise;

3. Full employment opportunities for the growing labour force of the country;

4. Economic self-reliance; and

5. Modernisation.

Objectives of different plans and Development Strategy

- **Phase-I Growth Oriented Development Strategy:**
- First plan- It was a repair Plan made to take care of severe damage caused by war, famine and partition.
- Second Plan – It was a import substitution led long term growth based on industrialisation.
- Third Plan- Public sector led growth, reducing concentration of economic power

•Objectives of different plans and Development Strategy: Contd..

•**Phase-II Equity Oriented Development strategy:**

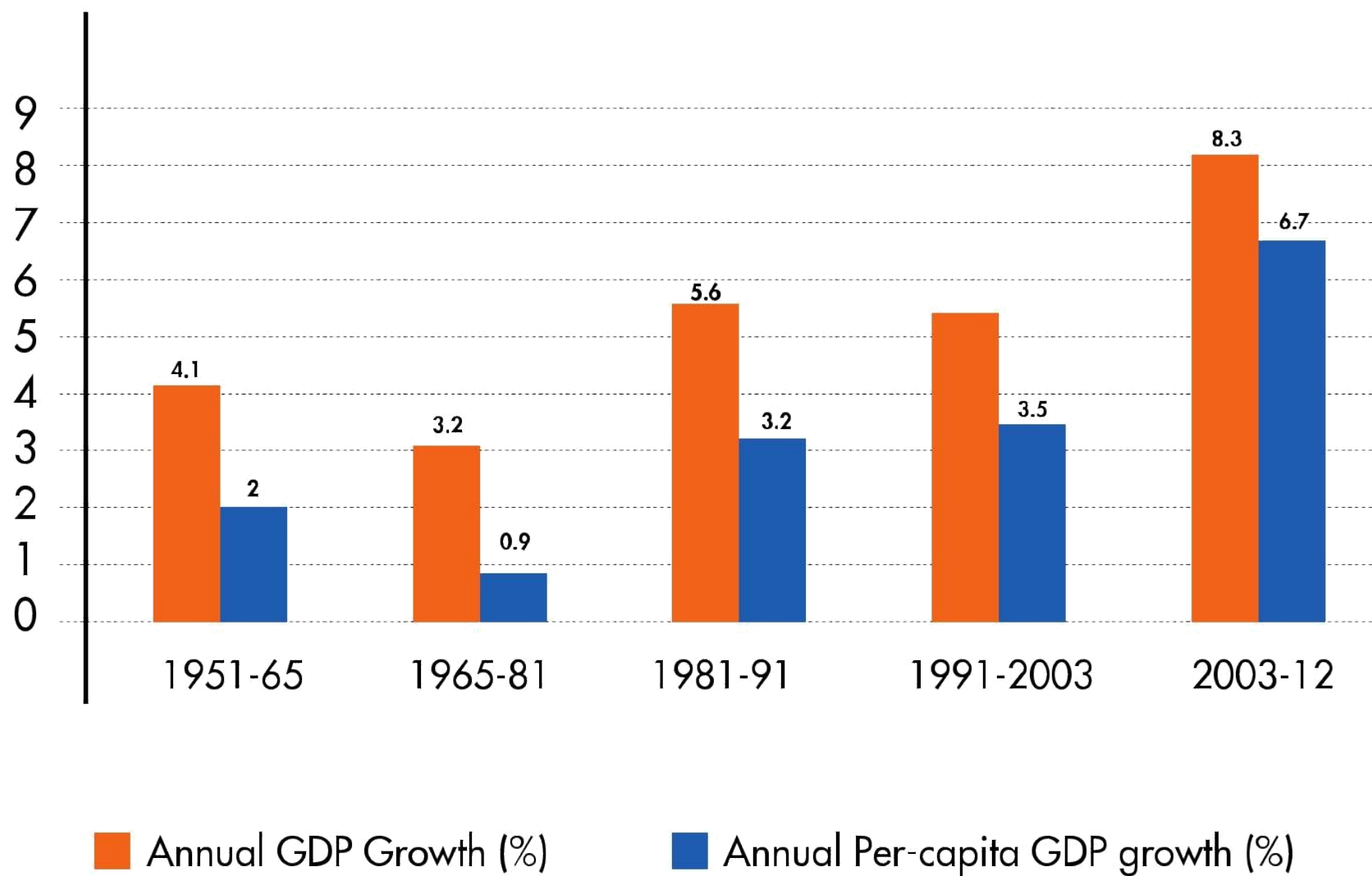
- Annual Plans: Adaptation of new agricultural strategy.
- IV Plan: Growth with stability
- V Plan: Alleviation of poverty
- VI Plan: Target group approach
- VII Plan: Direct attack on the problems of poverty

Objectives of different plans and Development Strategy: contd..

- **Phase-III Post liberalisation Development Strategy:**
- Inward looking development model was replaced by Export-led growth strategy.
- Liberalisation, Globalisation, Privatisation (LPG) Strategy
- IX & X Plans: Growth with social justice
- XI Plan: Inclusive growth
- XII Plan: Faster sustainable and more inclusive growth

•**Development strategy of Planning in India**

- Indicative Planning
- Growth with justice
- Resource allocation
- Advisor to States Skilling India
- Think tank
- Achieving growth targets
- Removal of corruption
- Good governance
- Democratic values to be strengthened.



I SECTORAL GROWTH RATES						
Period	Agriculture & Allied	Industry	Manufacturing	Services	GDP	
1	2	4	5	6	7	
1951-65	2.9	6.7	6.6	4.7	4.1	
1965-81	2.1	4.0	3.9	4.3	3.2	
1981-88	2.1	6.3	7.1	6.5	4.8	
1988-06	3.4	6.5	6.8	7.8	6.3	